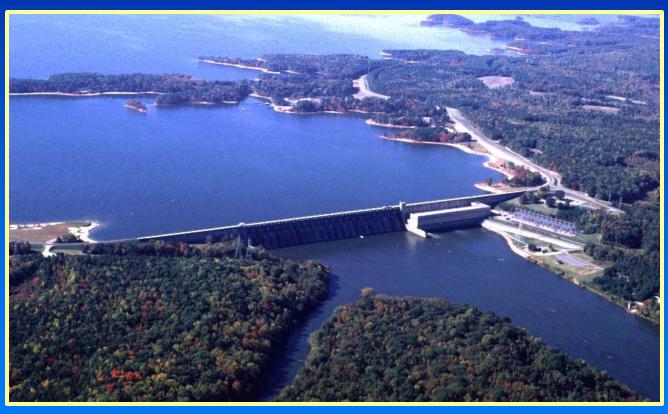


John H. Kerr Rehabilitation Project Update



2 December 2004



John H. Kerr Powerhouse Breaker Supply and Install Contract Complete Cost: \$4,689,555 28 Breakers Total





John H. Kerr 115 kV Switchyard Upgraded from 600A to 2000A





Gas Breaker being installed in Switchyard





Kerr Transformer Bay

Unit 1 Rated: 15 MVA Present, 55 MVA Future Units 2-7 Rated: 41 MVA Present, 55 MVA Future





Disassembly Of Old Unit





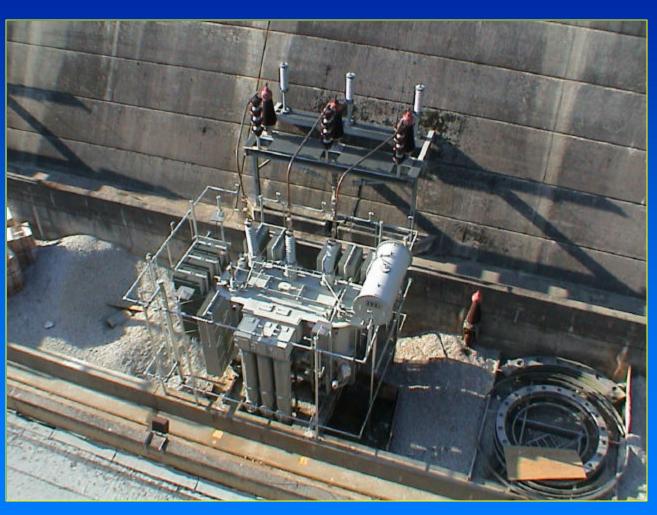
U.S. Army Corps of Engineers Wilmington District

Assembly of New Unit





Kerr Transformer Bay Transformer Number 2 Installed





Kerr Transformer Bay Transformer Number 7 Installed





John H. Kerr Station Units New 480V Station Service Board During Factory Test





13.8kV Station Service Switchgear for the Station Service Tap





Kerr Annunciation System during Factory Testing





John H. Kerr Powerhouse Present Nameplate Capacity: 204 MW New Nameplate Capacity: ~296 MW Contract Awarded to General Electric, Co. Award Date was 30 January 2003. Total Cost: \$46,892,790.





John H. Kerr Powerhouse General Electric Main Contract Currently Placed on Hold due to lack of Government Funding for FY04 Work Scheduled to Continue FY05





GE Major Contract Work

- Rewind all units and replace cores.
- Rehab Unit #1 Turbine
- Replace Unit # 2-7 turbines with oxygen injection capability.
- All units new Static Exciters with Power System Stabilization.
- All units new Electronic Governors.



John H. Kerr Station Units Plans and Specs have been Developed. Work Scheduled to Begin FY 2005

Rewind Two Units, Update Other Equipment





Philpott Dam





Philpott Powerhouse

Plans and Specs have been
Developed to Rehab
the Station Unit. Work
is Scheduled to Begin FY 2005.





Summary

- Circuit Breaker Supply and Install Contract: \$4,689,555, Complete.
- Crane Rehab: \$1,014,578, Complete.
- Transformer Supply: \$2,914,280, Complete
- Main Contract: \$46,892,790, Awarded,
 30 January 2003, Scheduled Completion
 Unknown at this time.
- Total Cost: \$55,511,203.